

REMARKS

Applicants reply to the Final Office Action dated March 9, 2007 within two-months. Thus, Applicants request an Advisory Action, if necessary. Claims 1-6, 11-16, and 25-34 were pending in the application and the Examiner rejects claims 1-6, 11-16, and 25-34. Reconsideration of the application is respectfully requested.

Rejection under 35 U.S.C. § 103(a)

The Examiner rejects claims 1-6, 11-16, and 25-34 under 35 U.S.C. § 103(a) as being unpatentable over Northington et al., U.S. Patent No 6,128,608 (“Northington”) in view of Lowery, U.S. Patent No. 6,189,785 (“Lowery”) and in further view of Dunn et al., U.S. Patent No. 5,134,564 (“Dunn”). Applicant respectfully traverses this rejection.

Northington generally discloses a system for automatic consolidation of information from a plurality of financial systems into a single accounting system. Specifically, the Northington system enables an entity to use multiple independent and potentially incompatible financial systems to facilitate, control, and monitor its spending, purchasing and other financial activities in real-time. The automatic consolidation of information in Northington includes a reconciliation process, wherein transaction information may be entered into the system in advance of executing the transaction. For example, a user intending to purchase airfare may enter a ticket price along with any other details. When the transaction is actually executed (e.g., the airfare is purchased), then the user again interacts with the system to enter actual transaction details. The Northington system then compares the advanced transaction data with the actual transaction data to determine if non-matching transactions exist and displays them to the user. Matching transactions are automatically reconciled by the system.

The Examiner correctly notes that Northington does not explicitly teach, “preprocessing said merchant transactions and said charge transactions to remove from said pending list, transactions having offsetting debit values and credit values” (page 3, paragraph 2). However, the Examiner asserts that Lowery includes such element. Applicants respectfully disagree.

Lowery generally discloses a system for performing online settlement of Point of Sale (POS) funds transfer transactions. The Lowery system automates the initial capture of payment and payer information, the transaction authorization process, settlement of the transaction at the POS terminal, and dealing with transaction exceptions. Transaction exceptions, as defined by Lowery, include re-deposited items, corrected items, returned items, item collection. Moreover,

the Lowery system handles the significant data management required for merchant risk reduction, legal compliance, and efficient customer service. For instance, Lowery discloses that in the situations of returned merchandise or an error by the merchant, the system electronically voids and/or reverses the previously authorized transaction. If the authorized transaction has not been settled, the Lowery system voids the transaction and deletes it from the central system. However, if the transaction has already been settled, the system issues a credit in an amount sufficient to offset the original debit (Lowery, column 13, lines 11-21). In either case, it is important to note that the offset in the Lowery system is initiated as a result of a returned item or merchant error. **Thus, Lowery simply discloses a system for initiating an offset which is completely unrelated to the presently claimed invention. More particularly, the initiation of an offset occurs earlier in the transaction and settlement process than what is claimed by the present application, namely the removal of transactions having offsetting debit values and credit values. The Lowery system adds the offset to the transactions list of the card issuer, whereas the present invention removes the offsetting items from a list of transactions. In other words, the Lowery system adds the offset to a billing statement prior to it being received for processing and removal by the presently claimed invention. Significantly, the Lowery system would render the presently claimed system inoperable, as it would add offsets to the billing statement, while the presently claimed invention removes offsets.**

Dunn generally discloses a system for reconciling a bank statement against a customer's records. Specifically, the Dunn system retrieves account transaction data from a bank and retrieves spend and deposit information from the customer's information in order to compare the two datasets to search for corresponding transactions. The Dunn system enables an administrator to define various threshold values, which determines the level of scrutiny applied by the system when determining a match. When one or more transactions are found that do not meet the match threshold, the threshold may be lowered and the matching process repeats until all transactions that can be matched, are matched. For transactions that cannot be automatically matched, the Dunn system displays them alongside a bank statement record to enable a user to manually determine matches.

Northington, Lowery, and Dunn disclose systems that provide some level of reconciliation of transactional data. Each reference further discloses interfaces that enable users

to interact with the systems to perform manual reconciliation when discrepancies are found in the data. Those of ordinary skill would appreciate that manual reconciliation of data with discrepancies can be a time-consuming and difficult task. Therefore, it would be advantageous to remove all non-essential transactions from the transaction data prior to performing the reconciliation process, as this would reduce the number of data discrepancies that would require manual reconciliation. However, the cited references are silent as to such transaction removal. As such, neither Northington, Lowery, Dunn, nor any combination thereof, disclose or suggest at least, "preprocessing said merchant transactions and said charge transactions to remove from said pending list, transactions having offsetting debit values and credit values," as similarly recited by independent claims 1, 11, and 25.

Dependent claims 2-6, 12-16, and 26-34 variously depend from independent claims 1, 11, and 25, therefore dependent claims 2-6, 12-16, and 26-34 are differentiated from the cited reference for at least the same reasons as set forth above, as well as in view of their own respective features.

Applicant respectfully submits that the pending claims are in condition for allowance. The Commissioner is hereby authorized to charge any fees, which may be required, or credit any overpayment, to Deposit Account No. **19-2814**. Applicants invite the Office to telephone the undersigned if the Examiner has any questions regarding this Reply or the present application in general.

Respectfully submitted,

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